

**GLOBAL FASHION GROUP  
ACHIEVES SALES EXCEEDING EURO 1 BILLION AND IMPROVES PROFITABILITY  
IN THE FINANCIAL YEAR 2016**

**Luxembourg, 5 April 2017** – Global Fashion Group (GFG), the leading online fashion destination for emerging markets, today reported strong results for the financial year 2016. GFG delivered net merchandise value (NMV) in excess of EUR 1.0 billion representing growth of 30.3% on a constant currency and pro-forma basis. Furthermore GFG achieved an improvement in profitability compared to 2015 of 14.4 percentage points to reach an Adjusted EBITDA margin of (12.5)% in 2016.

**Continued Net Revenue and Net Merchandise Value (NMV) growth across all regions**

Total Net revenue of the Group for the year exceeded EUR 1.0 billion representing growth of 26.4% on a constant currency pro-forma basis despite continued macroeconomic challenges in several regions and associated increased pricing pressure. NMV, which includes Marketplace sales, increased by 30.3% on a constant currency pro-forma basis to EUR 1.0 billion.

**Accelerated progress on path to profit initiatives resulting in improved profitability**

Adjusted EBITDA margin improved substantially from (26.9)% in FY 2015 to (12.5)% in FY 2016 or circa 14 percentage points. Q4 Adjusted EBITDA reached (8.9)% of Net revenue.

Gross profit margin increased by 2 percentage points to 42.4% driven by improved commercial terms leveraging GFG's increased scale and improved merchandising. The remaining 12 percentage point improvement in Adjusted EBITDA margin was driven by efficiency gains across GFG's fulfillment operations, marketing investments, and fixed cost structure in line with its path to profit initiatives. In absolute terms, Adjusted EBITDA losses reduced year on year by over 40% for the Group.

**Continued progress on leveraging both local and global scale**

2016 saw the implementation of several regionally led initiatives, including for example brand recruitment across all regional companies, warehouse automation and capacity increase at Lamoda and Dafiti, optimisation of the last mile delivery infrastructure with Lamoda Express, IT investment and integration of Kanui and Tricae IT into Dafiti, fixed cost rationalisation with the setup of a Malaysian shared service center for all of Zalora. These developments helped enhance GFG's efficiency and improve its services to both partner brands and consumers.

GFG delivered good progress on coordinated brand acquisitions with 40 top tier brands acquired and strategic reviews with key partners to leverage the global scale and relevance of GFG.

The GFG Marketplace roll-out has been finalised in Russia and LatAm. Being positioned as a curated fashion marketplace platform has allowed significant growth across regions and proven a successful model to access a wider assortment from new or existing brands.

GFG has launched various shared IT initiatives across its regions to leverage know-how and scale, focused on key developments to enhance customer experience. This includes the set-up of a European tech center which is complementing the existing one in South East Asia.

**Strong financial position**

The Group ends the year in a strong financial position with EUR 255.0 million of cash at YE 2016, on a pro-forma basis.

**Strategic partnership in the Philippines**

On 23 February 2017, GFG announced a strategic partnership with one of the Philippines' oldest and largest conglomerates, the Ayala Group. Ayala invested to take a 49% ownership in Zalora Philippines, solidifying Zalora's leadership position in the archipelago, with potential synergies with Ayala's telecommunications, banking and retail business units that will offer more value and better service to our Filipino consumers.

**GFG appoints new Chair of the Board of Directors**

GFG appoints Cynthia Gordon as new Chair of the Board of Directors effective today. Cynthia brings extensive experience in building and leading consumer facing businesses across several of GFG's

regions. She is proposed to join the board of Kinnevik AB in May and is currently a member of the Board of Tele2, and was until February 2017 CEO of the Africa Division at Millicom. Prior to joining Millicom in 2015, Cynthia Gordon spent three years at MENA and Asia Pacific telecommunications company Ooredoo as Chief Commercial Officer, and also spent nine years at Orange as Vice President, Business between 2001 and 2006, and Vice President, Partnerships and Emerging Markets between 2009 and 2012. Between 2007 and 2009, she was Chief Commercial Officer at the Russian/Eastern European communications company MTS.

#### **Results announcements going forward**

GFG will report Q1 2017 results in May in a revised format with a reduced set of financial metrics and KPIs for the regional businesses of the Group.

## Global Fashion Group Consolidated

(EXCL. JABONG FOR ALL PRESENTED PERIODS)

Key Financials (EURm)	FY 2015 <sup>9</sup>	FY 2016 <sup>9</sup>	Q4 2015 <sup>9</sup>	Q4 2016 <sup>9</sup>
Net Merchandise Value <sup>1</sup>	796.9	1,038.1	252.2	322.6
<i>% FX neutral growth pro-forma<sup>2,3</sup></i>		30.3%		23.3%
<i>% EUR growth</i>		30.3%		27.9%
Net revenue	808.0	1,023.1	250.4	317.3
<i>% FX neutral growth pro-forma<sup>2,3</sup></i>		26.4%		21.4%
<i>% EUR growth</i>		26.6%		26.7%
Gross profit	326.7	433.5	103.9	137.7
<i>% margin of Net revenue</i>	40.4%	42.4%	41.5%	43.4%
Adjusted EBITDA <sup>4</sup>	(217.2)	(127.9)	(42.3)	(28.1)
<i>% margin of Net revenue</i>	(26.9)%	(12.5)%	(16.9)%	(8.9)%
Capex <sup>5</sup>	24.4	36.4	4.8	7.5

  

Balance Sheet (EURm)	31-Dec-15	31-Dec-16	31-Dec-15	31-Dec-16
Net working capital <sup>6</sup>	16.4	(0.3)	16.4	(0.3)
Cash position	76.7	255.0 <sup>10</sup>	76.7	255.0 <sup>10</sup>

  

Key Performance Indicators (m)	FY 2015	FY 2016	Q4 2015	Q4 2016
Total orders <sup>7</sup>	19.8	25.2	6.2	7.2
<i>% growth</i>		27.3%		16.1%
<i>% growth pro-forma<sup>3</sup></i>		22.4%		19.7%
Active customers <sup>8</sup>	8.6	9.5	8.6	9.5
<i>% growth</i>		10.5%		10.5%
<i>% growth pro-forma<sup>3</sup></i>		15.4%		15.4%

**Source:** Company's audited consolidated financial statements based on IFRS and management reports.

**Notes:**

- (1) Net Merchandise Value (NMV) is defined as the value of goods sold after actual and provisioned returns and rejections. NMV excludes other revenue items such as delivery fees for example
- (2) Growth rate is shown on a constant currency basis and therefore excludes the effect of foreign currency movements.
- (3) For the purposes of comparison, growth rates are shown on a pro-forma basis; Dafiti includes Kanui and Tricae and excludes Mexico; Zalora excludes Thailand and Vietnam; Jabong is excluded.
- (4) Adjusted EBITDA is calculated as operating profit or loss before depreciation of property, plant and equipment, amortisation of intangible assets, impairment losses, and share-based payment expenses.
- (5) Capital expenditure represents the acquisition of property, plant and equipment and intangible assets.
- (6) Net working capital represents inventories and trade and other receivables less trade and other payables.
- (7) Total number of valid (i.e. not failed or declined) orders starting the fulfilment process less cancelled orders (before rejected and returned orders), i.e. total number of orders shipped in the period (e-commerce and marketplace).
- (8) Number of customers having made at least one order as defined in "total orders" less actual and provisioned returns and rejections within the last 12 months before the end of the period.
- (9) Derived from GFG's audited consolidated financial statements based on IFRS and management reports, excluding discontinued operations of Jabong (Balance sheet items in 2015 include Jabong). Differences relative to sum-of-the-parts are due to eliminations, holding companies and other.
- (10) EUR 255.0m is the pro-forma cash position including all outstanding committed proceeds from the Jabong disposal.

## LAMODA

### Financial Update

- Positive NMV and Net revenue growth on a constant currency basis of 40.4% and 39.6% for FY 2016 and 41.5% and 41.8% for Q4 2016, respectively, despite a weak retail environment and strong macroeconomic headwinds that have resulted in pricing investments.
- Maintained strong Gross profit margins of 39.5% for FY 2016 and 41.0% for Q4 2016 despite increasing competitive and macroeconomic pressures.
- Adjusted EBITDA improved by EUR 9.7 million in FY 2016 but declined by EUR 0.5 million in Q4 2016. Despite this, Adjusted EBITDA margins improved by 6.5 percentage points to (8.1)% and 2.5 percentage points to (6.4)% respectively.

### Operational Update

- Successfully brought on line the next phase of comprehensive Fulfilment Centre automation infrastructure. The several phases launched in 2016 resulted in significant operational efficiencies on a cost per unit basis.
- Optimised own delivery (Lamoda Express) and external logistics partnerships to further improve costs while maintaining best-in-class customer service levels.
- Significantly scaled mobile traffic and conversions via ever-improving mobile application, also with first mover features such as Apple Pay and launch of an Apple Watch application.
- On boarded several new brands to the Lamoda portfolio over the course of the year, including exclusive collaborations with several global brands.

Key Financials (EURm)	FY 2015	FY 2016	Q4 2015	Q4 2016
Net Merchandise Value <sup>1</sup>	230.8	299.9	70.1	104.9
<i>% FX neutral growth<sup>2</sup></i>		40.4%		41.5%
<i>% EUR growth</i>		29.9%		49.6%
Net revenue	235.2	305.1	70.5	106.4
<i>% FX neutral growth<sup>2</sup></i>		39.6%		41.8%
<i>% EUR growth</i>		29.7%		50.9%
Gross profit	96.5	120.5	27.2	43.6
<i>% margin of Net revenue</i>	41.0%	39.5%	38.6%	41.0%
Adjusted EBITDA <sup>3</sup>	(34.4)	(24.7)	(6.3)	(6.8)
<i>% margin of Net revenue</i>	(14.6)%	(8.1)%	(8.9)%	(6.4)%

Key Performance Indicators (m)	FY 2015	FY 2016	Q4 2015	Q4 2016
Total orders <sup>4</sup>	5.5	7.7	1.6	2.4
<i>% growth</i>		40.0%		50.0%
Active customers <sup>5</sup>	1.9	2.3	1.9	2.3
<i>% growth</i>		21.1%		21.1%

**Source:** GFG's audited consolidated financial statements based on IFRS and management reports.

**Notes:** Consolidated Lamoda financial information on EUR basis is derived from audited GFG consolidated IFRS financial statements. Deviation from prior publication of RUB based consolidated Lamoda financial information is primarily attributable to GFG accounting policy alignments.

- (1) Net Merchandise Value (NMV) is defined as the value of goods sold after actual and provisioned returns and rejections. NMV excludes other revenue items such as delivery fees for example.
- (2) Growth rate is shown on a constant currency basis and therefore excludes the effect of foreign currency movements.
- (3) Adjusted EBITDA is calculated as operating profit or loss before depreciation of property, plant and equipment, amortisation of intangible assets, impairment losses, and share-based payment expenses.
- (4) Total number of valid (i.e. not failed or declined) orders starting the fulfilment process less cancelled orders (before rejected and returned orders), i.e. total number of orders shipped in the period (e-commerce and marketplace).
- (5) Number of customers having made at least one order as defined in "total orders" less actual and provisioned returns and rejections within the last 12 months before the end of the period.

## DAFITI

### Financial Update

- NMV and Net revenue like-for-like growth on a constant currency basis was 15.1% and 9.8% for the FY 2016 and 10.9% and 8.3% for Q4 2016, respectively, despite the challenging macroeconomic environment in Brazil and Argentina.
- Gross profit margin improvement of 4.5 percentage points to 43.4% for FY 2016 and 1.6 percentage points to 43.4% for Q4 2016.
- Adjusted EBITDA improved by EUR 45.1 million in FY 2016 and EUR 6.1 million in Q4 2016 which has led to stronger Adjusted EBITDA margins, with improvements of 19.2 percentage points to (6.0)% and 7.9 percentage points to (3.7)% respectively.

### Operational Update

- Realised significant synergies across fulfilment costs (mainly in warehouse and delivery) from combination of operations with Kanui and Tricae.
- Notable improvements in marketing efficiency from scale, with significant reductions as a percentage of Net revenue versus last year, despite active customers' growth of 14.3% year-on-year and new customer acquisitions hitting record highs in Q4 2016.
- Savings in general and administrative costs as part of path to profit initiatives (e.g. project centralisation among LatAm countries and renegotiation of third party services and fees) contributed to Adjusted EBITDA margin increases versus 2015.

Key Financials (EURm)	FY 2015 <sup>7</sup>	FY 2016 <sup>7</sup>	Q4 2015 <sup>7</sup>	Q4 2016 <sup>7</sup>
Net Merchandise Value <sup>1</sup>	252.2	330.8	85.3	102.6
<i>% FX neutral growth pro-forma<sup>2,3</sup></i>		15.1%		10.9%
<i>% EUR growth</i>		31.2%		20.3%
Net revenue	254.4	315.5	84.6	99.6
<i>% FX neutral growth pro-forma<sup>2,3</sup></i>		9.8%		8.3%
<i>% EUR growth</i>		24.0%		17.7%
Gross profit	99.0	136.8	35.4	43.2
<i>% margin of Net revenue</i>	38.9%	43.4%	41.8%	43.4%
Adjusted EBITDA <sup>4</sup>	(64.0)	(18.9)	(9.8)	(3.7)
<i>% margin of Net revenue</i>	(25.2)%	(6.0)%	(11.6)%	(3.7)%

Key Performance Indicators (m)	FY 2015	FY 2016	Q4 2015	Q4 2016
Total orders <sup>5</sup>	6.2	8.7	2.3	2.4
<i>% growth</i>		40.3%		4.3%
<i>% growth pro-forma<sup>3</sup></i>		11.6%		2.5%
Active customers <sup>6</sup>	3.5	4.0	3.5	4.0
<i>% growth<sup>8</sup></i>		14.3%		14.3%

**Source:** GFG's audited consolidated financial statements based on IFRS and management reports.

**Notes:** Consolidated Dafiti financial information on EUR basis is derived from audited GFG consolidated IFRS financial statements. Deviation from prior publication of BRL based consolidated Dafiti financial information is primarily attributable to GFG accounting policy alignments.

- (1) Net Merchandise Value (NMV) is defined as the value of goods sold after actual and provisioned returns and rejections. NMV excludes other revenue items such as delivery fees for example.
- (2) Growth rate is shown on a constant currency basis and therefore excludes the effect of foreign currency movements.
- (3) For the purpose of comparison, growth rates are shown on a pro-forma basis: Dafiti on a "pro-forma" basis, therefore Kanui and Tricae are included in and Mexico is excluded.
- (4) Adjusted EBITDA is calculated as operating profit or loss before depreciation of property, plant and equipment, amortisation of intangible assets, impairment losses, and share-based payment expenses.
- (5) Total number of valid (i.e. not failed or declined) orders starting the fulfilment process less cancelled orders (before rejected and returned orders), i.e. total number of orders shipped in the period (e-commerce and marketplace).
- (6) Number of customers having made at least one order as defined in "total orders" less actual and provisioned returns and rejections within the last 12 months before the end of the period.
- (7) Effective from 26 September 2015 Dafiti includes the two acquired Brazilian businesses, Kanui and Tricae. Q4 and FY 2015 include Kanui and Tricae from the date of acquisition and include Dafiti Mexico until its divestment in November 2015, whilst Q4 and FY 2016 includes Kanui and Tricae but excludes Dafiti Mexico.
- (8) As at 31 December 2015 and 2016, active customers include Kanui and Tricae, and excludes Dafiti Mexico, therefore % growth and % growth pro-forma do not differ.

## NAMSHI

### Financial Update

- NMV and Net revenue growth on a constant currency basis of 25.9% and 26.1% for FY 2016 and 3.6% and 4.7% in Q4 2016, respectively, despite the depressed macroeconomic environment in Saudi Arabia following the introduction of government austerity measures and aggressive competition in the online retail landscape.
- Maintained a strong Gross profit margin of 52.9% for FY 2016 and 51.9% for Q4 2016.
- Successfully reached profitability for FY 2016 with an Adjusted EBITDA of EUR 2.5 million, an improvement by EUR 4.2 million in comparison to FY 2015. Adjusted EBITDA also improved by EUR 0.3 million in Q4 2016 which has led to stronger Adjusted EBITDA margins, an improvement of 3.4 percentage points to 1.8% and 0.9 percentage points to (0.3)% in FY 2016 and Q4 2016 respectively.

### Operational Update

- Integrated additional courier partners to provide additional delivery options and scalability.
- Launched various new brands and expanded into adjacent categories such as beauty and cosmetics.

Key Financials (EURm)	FY 2015	FY 2016	Q4 2015	Q4 2016
Net Merchandise Value <sup>1</sup>	101.9	128.5	31.3	32.8
<i>% FX neutral growth<sup>2</sup></i>		25.9%		3.6%
<i>% EUR growth</i>		26.1%		4.8%
Net revenue	107.8	136.2	32.8	34.7
<i>% FX neutral growth<sup>2</sup></i>		26.1%		4.7%
<i>% EUR growth</i>		26.3%		5.8%
Gross profit	58.3	72.1	17.4	18.0
<i>% margin of Net revenue</i>	54.1%	52.9%	53.0%	51.9%
Adjusted EBITDA <sup>3</sup>	(1.7)	2.5	(0.4)	(0.1)
<i>% margin of Net revenue</i>	(1.6)%	1.8 %	(1.2)%	(0.3)%
Key Performance Indicators (m)	FY 2015	FY 2016	Q4 2015	Q4 2016
Total orders <sup>4</sup>	1.2	1.6	0.3	0.4
<i>% growth</i>		33.3%		33.3%
Active customers <sup>5</sup>	0.5	0.6	0.5	0.6
<i>% growth</i>		20.0%		20.0%

**Source:** GFG's audited consolidated financial statements based on IFRS and management reports.

**Notes:** Consolidated Namshi financial information on EUR basis is derived from audited GFG consolidated IFRS financial statements. Deviation from prior publication of AED based consolidated Namshi financial information is primarily attributable to GFG accounting policy alignments.

- (1) Net Merchandise Value (NMV) is defined as the value of goods sold after actual and provisioned returns and rejections. NMV excludes other revenue items such as delivery fees for example.
- (2) Growth rate is shown on a constant currency basis and therefore excludes the effect of foreign currency movements.
- (3) Adjusted EBITDA is calculated as operating profit or loss before depreciation of property, plant and equipment, amortisation of intangible assets, impairment losses, and share-based payment expenses.
- (4) Total number of valid (i.e. not failed or declined) orders starting the fulfilment process less cancelled orders (before rejected and returned orders), i.e. total number of orders shipped in the period.
- (5) Number of customers having made at least one order as defined in "total orders" less actual and provisioned returns and rejections within the last 12 months before the end of the period.

## ZALORA & THE ICONIC

### Financial Update

- Positive NMV and Net revenue growth a constant currency and pro-forma basis of 43.1% and 35.6%, for FY 2016 and of 30.9% and 26.6% for Q4 2016.
- Gross profit margin development of 4.6 percentage points to 39.5% for FY 2016 and 4.9 percentage points to 43.4% in Q4 2016.
- Adjusted EBITDA improved by EUR 35.3 million in FY 2016 and EUR 12.3 million in Q4 2016, which has led to improved Adjusted EBITDA margins by 22.5 percentage points to (21.1)% and by 22.7 percentage points to (12.1)% respectively.

### Operational Update

- Increased investment in the expansion of the marketplace platform allowing greater product assortment.
- Continued investment in app functionality and customer experience to drive monthly active app users and overall mobile engagement numbers. This includes the introduction of better on site sizing support.
- Fulfilment expense benefit from optimisation of logistic networks and consolidation of Zalora's warehouse in Malaysia.
- Zalora's shared services centre in Malaysia and technology hub in Vietnam has driven further Adjusted EBITDA improvements.

Key Financials (EURm)	FY 2015	FY 2016 <sup>7</sup>	Q4 2015	Q4 2016
Net Merchandise Value <sup>1</sup>	212.0	278.9	65.5	82.3
<i>% FX neutral growth pro-forma<sup>2,3</sup></i>		43.1%		30.9%
<i>% EUR growth</i>		31.6%		25.6%
Net revenue	207.6	261.2	61.5	75.4
<i>% FX neutral growth pro-forma<sup>2,3</sup></i>		35.6%		26.6%
<i>% EUR growth</i>		25.8%		22.6%
Gross profit	72.4	103.2	23.7	32.7
<i>% margin of Net revenue</i>	34.9%	39.5%	38.5%	43.4%
Adjusted EBITDA <sup>4</sup>	(90.5)	(55.2)	(21.4)	(9.1)
<i>% margin of Net revenue</i>	(43.6)%	(21.1)%	(34.8)%	(12.1)%

Key Performance Indicators (m)	FY 2015	FY 2016	Q4 2015	Q4 2016
Total orders <sup>5</sup>	6.9	7.2	2.0	2.0
<i>% growth</i>		4.3%		0.0%
<i>% growth pro-forma<sup>3</sup></i>		19.2%		9.9%
Active customers <sup>6</sup>	2.7	2.6	2.7	2.6
<i>% growth</i>		(3.7)%		(3.7)%
<i>% growth pro-forma<sup>3</sup></i>		11.4%		11.4%

**Source:** GFG's audited consolidated financial statements based on IFRS and management reports.

**Notes:** Consolidated Zalora & The Iconic financial information on EUR basis is derived from audited GFG consolidated IFRS financial statements. Deviation from prior publication of consolidated Zalora & The Iconic financial information is primarily attributable to GFG accounting policy alignments.

- (1) Net Merchandise Value (NMV) is defined as the value of goods sold after actual and provisioned returns and rejections. NMV excludes other revenue items such as delivery fees for example.
- (2) Growth rate is shown on a constant currency basis and therefore excludes the effect of foreign currency movements.
- (3) For the purpose of comparison, growth rate is shown on a pro-forma basis: Zalora & The Iconic on a "pro-forma" basis, therefore Thailand and Vietnam are not included.
- (4) Adjusted EBITDA is calculated as operating profit or loss before depreciation of property, plant and equipment, amortisation of intangible assets, impairment losses, and share-based payment expenses.
- (5) Total number of valid (i.e. not failed or declined) orders starting the fulfilment process less cancelled orders (before rejected and returned orders), i.e. total number of orders shipped in the period (e-commerce and marketplace).
- (6) Number of customers having made at least one order as defined in "total orders" less actual and provisioned returns and rejections within the last 12 months before the end of the period.
- (7) FY 2016 includes operations in Thailand and Vietnam only until their divestment in May 2016.

**Other releases in connection with GFG's results**

Shareholders of Kinnevik AB ("Kinnevik") should read this press release in conjunction with all relevant releases by Kinnevik in connection with GFG's results for the same period.

Shareholders of Rocket Internet SE ("Rocket") should read this press release in conjunction with all relevant releases by Rocket in connection with GFG's results for the same period.